



WHAT ARE THE BASICS OF A PRIVATE ANNUITY?

The client sells an asset or pays money to a buyer in exchange for such an agreement to pay an annuity to the seller for the seller's lifetime (or the joint lifetimes of the seller and his or her spouse). The seller removes appreciating property from the seller's estate and retains the value of the annuity payments. This is a particularly useful strategy to provide income to the seller (and perhaps the seller's spouse) for life while transferring the property to the next generation.